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TO RUEHC/SECSTATE WASHDC PRIORITY 0972
INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 1101
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RUEHJA/AMEMBASSY JAKARTA PRIORITY 4320
RUEHML/AMEMBASSY MANILA PRIORITY 1154
RUEHFK/AMCONSUL FUKUOKA PRIORITY 5478
RUEHHK/AMCONSUL HONG KONG PRIORITY 6421
RUEHNAG/AMCONSUL NAGOYA PRIORITY 4152
RUEHNH/AMCONSUL NAHA PRIORITY 7872
RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 9143
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SUBJECT: THE DOCTOR WILL NOT SEE YOU NOW - JAPAN'S
PHYSICIAN SHORTAGE.

REF: 07 TOKYO 5080

11. (SBU) Summary: Japan faces an acute shortage of hospital physicians, particularly in rural areas. One expert estimated the country needs 55,000 new doctors to staff adequately its hospitals. Harsh working conditions and low pay cause many doctors to enter private practice, a step which means they generally lose hospital privileges. The Ministry of Health, Labor and Welfare (MHLW) is increasing the number of medical school scholarships at prefectural universities and requesting hospitals seek "volunteers" to practice in the countryside for stints of several months. Solving the problem, however, will require creativity and flexibility on the part of the GOJ, including allowing foreign physicians greater leeway to practice in Japan and developing new remote treatment technologies. End summary.

12. (SBU) In August 2007, eight separate hospitals in western Japan, claiming to have no physicians available, refused care to a woman in premature labor. The woman was finally admitted to a ninth hospital, but only after the ambulance in which she was traveling crashed, causing her to miscarry. This incident highlights the shortage of doctors, particularly in rural areas.

Doctor Shortage Acute

13. (SBU) According to 2005 data, Japan has 1.9 physicians per 1000 people, ranking it 27 out of the 30 OECD member countries. Nevertheless, the number of doctor consultations per capita on an annual basis is 13.8, perhaps the world's highest. Specialists are in particularly short supply; estimates put the number of practicing obstetricians in Japan at only 8,000. Japan Municipal Hospital Association Chairman Tetsuro Koyamada told emboff he estimates the country needs 55,000 more doctors to staff adequately its hospitals.

Underpaid and Overworked

14. (SBU) There are several reasons for the shortfall. First, working conditions in Japanese hospitals are particularly harsh. A recent survey revealed more than 30% of hospital doctors had worked an entire month without a day off and 70% had worked the day after night-shift duty. Second, hospital physicians earn an average of \$93,500, half the wage of private practice physicians and less than the average commercial airline pilot. Doctors in private practice generally lose their hospital privileges.

15. (SBU) Finally, changes made to Japan's medical residency program have contributed to the lack of doctors in rural areas. Previously, medical schools had sole authority to determine where graduates could complete their residencies. The schools coordinated with regional hospitals and governments to ensure staffing needs were met. The system came to be seen as draconian and in 2003 the Ministry of Health, Labor and Welfare (MHLW) revised the regulations allowing students more freedom. As a result, most stay in the big cities to complete their training.

The Countryside is Lovely This Time of Year

16. (SBU) Responding to public pressure, MHLW is attempting to rectify the urban-rural disparity. According to MHLW's Masatsugu Ashida, the GOJ has, among other things, increased the number of scholarships at prefectural medical schools for students who agree to practice in that prefecture for two years after obtaining a medical license. In addition, MHLW has reduced the number of residency positions in Japan's big

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cities to force students to serve in prefectural hospitals, Ashida said.

17. (SBU) The MHLW also, according to Ashida, has launched a program to recruit physicians to volunteer to practice in rural areas for several month stints. These volunteers receive no incentive pay or benefits except experience, he noted. The MHLW will, however, provide subsidies to hospitals that "encourage" doctors to participate and will also "suggest" how many doctors each hospital provide. Finally, the Ministry will assist physicians in compensating patients who successfully sue for malpractice. Ashida said MHLW has requested a budget equivalent to \$142 million to fund these initiatives. (The Ministry of Finance is currently considering the request, but given the Cabinet mandate to curb healthcare spending by \$1.9 billion annually for the next five years (reftel), even this modest funding is uncertain.)

"Time is Running Out"

18. (SBU) Prefectural governments are also striving to address the shortage. In November 2007, Niigata prefecture proposed the central government to create a "special zone" in which foreign doctors without a Japanese medical license, but who had studied or trained in Japan, could practice medicine. Established under former Prime Minister Koizumi, special zones allow Japan to implement reform on a trial basis in a limited area. If successful, the measure can be expanded nationwide. Niigata prefectural government office of healthcare and insurance official Hideo Teruta stated, that while the government has rejected similar proposals before, he is hopeful the gravity of the doctor shortage will result in an approval this time. "Time is running out," Teruta said.

Comment

19. (SBU) As discussed in ref, Japan's overall healthcare system is in need of reform and solving the rural physicians shortage will require creative approaches beyond fiscal and commercial restructuring. If resistance to expanding immigration for skilled professionals persists, Japan may

once again turn to technological solutions, or
"telemedicine," where U.S. firms in such sectors as
telecommunications, homecare technologies, personal emergency
response systems, and medical monitoring devices could reap
the benefits. End Comment.

DONOVAN